

**NORTHWEST LAW ENFORCEMENT PLANNING AGENCY, INC.
PINEVILLE, LOUISIANA**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2012**

NORTHWEST LAW ENFORCEMENT PLANNING AGENCY, INC.

Pineville, Louisiana

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WILLIAM E. WEATHERFORD, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

The Officers and Board of Directors
Northwest Law Enforcement Planning Agency, Inc.
Pineville, Louisiana

I have audited the accompanying statement of financial position of the Northwest Law Enforcement Planning Agency, Inc, Pineville, Louisiana (a non-profit organization) as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Northwest Law Enforcement Planning Agency, Inc, Pineville, Louisiana, as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 10, 2012, on my consideration of the Northwest Law Enforcement Planning Agency, Inc, Pineville, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

My audit was conducted for the purpose of forming an opinion on the basic financial statements of the Northwest Law Enforcement Planning Agency, Inc, Pineville, Louisiana, taken as a whole. The accompanying financial information listed as “other supplementary information” in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

William E. Weatherford, CPA, LLC

William E. Weatherford, CPA, LLC
Shreveport, Louisiana
December 10, 2012

FINANCIAL STATEMENTS

NORTHWEST LAW ENFORCEMENT PLANNING AGENCY, INC.
Pineville, Louisiana

Statement of Financial Position
June 30, 2012

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 2,137
Grants receivable:	
State	<u>9,000</u>
Total current assets	<u><u>\$ 11,137</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	\$ 9,000
Net Assets:	
Unrestricted net assets:	<u>2,137</u>
Total Liabilities and Net Assets	<u><u>\$ 11,137</u></u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

NORTHWEST LAW ENFORCEMENT PLANNING AGENCY, INC.

Pineville, Louisiana

Statement of Activities
For the Year Ended June 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support, revenues and reclassifications:			
Membership dues	\$ 100,000	\$ -	\$ 100,000
State grants:			
Basic training	-	46,750	46,750
Correctional training	-	9,100	9,100
Net assets released from restrictions:			
Satisfaction of purpose restrictions	55,850	(55,850)	-
Total support, revenues and reclassifications	155,850	-	155,850
Expenses:			
Program service:			
Basic training	46,750	-	46,750
Correctional training	9,350	-	9,350
Supporting services:			
Administrative fee	100,000	-	100,000
Total Expenses	156,100	-	156,100
Change in net assets	(250)	-	(250)
Net Assets, beginning of year	2,387	-	2,387
Net Assets, end of year	\$ 2,137	\$ -	\$ 2,137

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

NORTHWEST LAW ENFORCEMENT PLANNING AGENCY, INC.
Pineville, Louisiana

Statement of Cash Flows
For the Year Ended June 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in net assets	\$ (250)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Decrease in accounts receivable	8,950
Decrease in accounts payable	<u>(21,350)</u>
Net Cash Used by Operating Activities	<u>(12,650)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (12,650)

CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR 14,787

CASH AND CASH EQUIVALENTS-END OF YEAR \$ 2,137

Supplemental Disclosures:

Cash paid during the year for interest	<u><u>None</u></u>
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The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

NOTES TO THE FINANCIAL STATEMENTS

NORTHWEST LAW ENFORCEMENT PLANNING AGENCY, INC.

Pineville, Louisiana

Notes to Financial Statements

June 30, 2012

Nature of Organization and Activities:

In 1968, Congress enacted the Omnibus Crime Control and Safe Streets Act which channeled Federal monies to local and state law enforcement agencies. Subsequently, the Louisiana Commission on Law Enforcement and the Administration of Criminal Justice was created for the purpose of conducting comprehensive criminal justice planning and to disburse Federal grant funds received through the Safe Streets Act.

In 1976, the ten parish area in Northwest Louisiana; the parishes of Bienville, Bossier, Caddo, Claiborne, DeSoto, Lincoln, Natchitoches, Red River, Sabine and Webster, became the Northwest Law Enforcement Planning Agency, Inc. (the Agency). The Agency was incorporated as a non-profit corporation on July 30, 1976 and is governed by a board of directors consisting of twenty one (21) members representing all ten parishes in Northwest Louisiana. The Northwest Law Enforcement Planning Agency, Inc. acts under the authority of the Louisiana Commission on Law Enforcement and the Administration of Criminal Justice, as provided by Louisiana Revised Statute 15:1209.

The Agency was established to perform those functions enumerated in Executive Order Number 30 issued by the Governor of the State of Louisiana pertaining to the development, coordination, and administration of criminal justice improvement programs within the Northwest Law Enforcement Planning District.

The Agency prepares, develops and revises comprehensive district law enforcement strategies based on an evaluation of law enforcement problems within the Northwest Law Enforcement Planning District, and defines, develops and correlates action programs under such plans. The Agency also reviews proposals and applications from local agencies for programs to be financed with the aid of funds from State and Federal governments and makes appropriate recommendations to the Louisiana Commission on Law Enforcement and the Administration of Criminal Justice on the approval or disapproval of the proposed projects.

Note 1 - Summary of Significant Accounting Policies

A. Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and accordingly reflect all significant receivables, payables, and other liabilities.

NORTHWEST LAW ENFORCEMENT PLANNING AGENCY, INC.

Pineville, Louisiana

Notes to Financial Statements

June 30, 2012

Note 1 - Summary of Significant Accounting Policies – (Continued):

B. Basis of Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ASC 958 (formerly SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*).

Under Financial Accounting Standards Board ASC 958 (formerly SFAS No. 117), the Association is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets – Net assets that are not subject to donor imposed stipulations. Some unrestricted net assets may be designated by the board for specific purposes.

Temporarily Restricted Net Assets – Net assets subject to donor imposed stipulations that may or will be met either by actions of the Agency and/or the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Agency. Generally, donors permit all or part of the income earned on these assets to be used for general or specific purposes.

As of June 30, 2012, the Agency had no temporarily or permanently restricted net assets.

C. Cash and Cash Equivalents:

The Agency considers deposits with financial institutions that can be redeemed on demand and all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

D. Support, Revenue and Reclassifications:

Annual membership dues are recorded as unrestricted support as received.

State grants are reported as temporarily restricted support if they are received with stipulations that limit the use of the assets. When the restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

NORTHWEST LAW ENFORCEMENT PLANNING AGENCY, INC.
Pineville, Louisiana

Notes to Financial Statements
June 30, 2012

Note 1 - Summary of Significant Accounting Policies – (Continued):

E. Estimates:

Preparing the Agency's financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts for revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Financial Instruments:

The Agency's financial instruments are cash and cash equivalents, accounts receivable, and accounts payable. The recorded values of cash and cash equivalents, accounts receivable, and accounts payable approximate their fair values based on their short-term nature.

Note 2 – Cash and Cash Equivalents:

As of June 30, 2012, the Agency had cash and cash equivalents (book balances) totaling \$2,137 follows:

Demand deposits	<u><u>\$ 2,137</u></u>
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The Agency maintains cash and cash equivalents at one financial institution. The account is insured by the Federal Deposit Insurance Corporation up to a limit of \$250,000. At June 30, 2012, the Agency had collected bank balances on deposit totaling \$21,137 which was fully secured by FDIC insurance.

Note 3 – Receivables

Accounts receivable consist of the following at June 30, 2012:

State grants:

Basic training	<u><u>\$ 9,000</u></u>
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NORTHWEST LAW ENFORCEMENT PLANNING AGENCY, INC.

Pineville, Louisiana

Notes to Financial Statements

June 30, 2012

Note 4 – Income Taxes:

The Agency is a non-profit organization as described in Section 501(c) (4) of the Internal Revenue Code and is exempt from federal and state income taxes, except for taxes on unrelated business income. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Note 5- Contingencies and Concentrations:

Lawsuits

The Agency is not currently named as defendant in any current or pending litigation.

Concentrations:

The Agency enters an annual agreement, expiring June 30 each year, with the Red River Delta Law Enforcement Planning Council, Inc. for management services whereby the Red River Delta Law Enforcement Planning Council, Inc will provide staffing for the Agency who will devote a minimum of fifty percent (50%) of total work time to activities directly concerning the Agency. During 2012, the Agency compensated the Red River Delta Law Enforcement Planning Council, Inc. \$100,000 for these management services. The agreement for management services was renewed for the fiscal year 2013 on July 10, 2012 and management is not aware of any issues that would adversely affect the continuation of this contract.

Note 6- Board of Directors:

Members of the board of directors participate on a voluntary basis and receive no compensation for their services.

Note 7- Related Party Transactions:

Procedures, observations, and inquiries did not disclose any material related party transactions for the year ended June 30, 2012.

Note 8 – Subsequent Events:

Subsequent events have been evaluated through December 10, 2012, the date the financial statements were available to be issued.

OTHER SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

The following independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

WILLIAM E. WEATHERFORD, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Officers and Board of Directors
Northwest Law Enforcement Planning Agency, Inc.
Pineville, Louisiana

I have audited the financial statements of the Northwest Law Enforcement Planning Agency, Inc., Pineville, Louisiana (a nonprofit organization), as of and for the year ended June 30, 2012 and have issued my report thereon dated December 10, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Agency's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of audit findings, I identified certain deficiencies in internal control over financial reporting that I consider to be material weaknesses.

A **deficiency in internal control** exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A **material weakness** is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the deficiencies described in the accompanying schedule of audit findings to be material weaknesses. Items 12-3 and 12-4.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of audit findings as items 12-1 and 12-2.

The Agency's response to the findings in my audit is included in the accompanying "Management's Corrective Action Plan". I did not audit the Agency's response, and accordingly, I express no opinion on it.

This report is intended solely for the information and use of the board of directors of the Northwest Law Enforcement Planning Agency, Inc., the Louisiana Legislative Auditor, and management and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is a public document and its distribution is not limited.

William E. Weatherford, CPA, LLC

William E. Weatherford, CPA, LLC
Certified Public Accountant
Shreveport, Louisiana
December 10, 2012

NORTHWEST LAW ENFORCEMENT PLANNING AGENCY, INC.
Pineville, Louisiana

Schedule of Audit Findings
For the Year Ended June 30, 2012

FINDINGS RELATED TO COMPLIANCE

Item: 12-1

Criteria or specific requirement:

Louisiana Revised Statute (LSA-R.S.) 42:19 requires the Agency to provide written notice of its meetings no later than twenty-four hours before the meeting. Such notice shall include the agenda, date, time, and place of the meeting.

Condition:

The Agency was unable to provide evidence that written notice of its meetings was provided to the public no later than twenty-four hours before the meetings.

Questioned costs:

None

Context:

The Agency asserts that notice of its meetings was published in the official journal more than twenty-four hours prior to its meetings. However, management was unable to provide copies of the printed notices or proof of publication of the notices.

Effect:

The Agency may not be in compliance with the open meetings law.

Cause:

Management did not obtain and retain in its records proof of publication of its public notices of meetings.

Recommendation:

The Agency should obtain and retain in its records proof of publication for all public notices of meetings.

NORTHWEST LAW ENFORCEMENT PLANNING AGENCY, INC.
Pineville, Louisiana

Schedule of Audit Findings
For the Year Ended June 30, 2012

Item: 12-2

Criteria or specific requirement:

Louisiana Revised Statute (LSA-R.S.) 44:36 requires that all records of the Agency be maintained for a period of three years.

Condition:

The Agency was unable to provide the August 2012 bank statement for its demand deposit account.

Questioned costs:

None

Context:

The August 2012 bank statement provides documentation of outstanding checks clearing and deposits made to the bank during that period.

Effect:

The Agency may not be in compliance with the record retention law.

Cause:

Management did not obtain and retain in its records the August 2012 bank statement.

Recommendation:

The Agency should retain in its records all accounting documentation for a period of at least three years.

NORTHWEST LAW ENFORCEMENT PLANNING AGENCY, INC.
Pineville, Louisiana

Schedule of Audit Findings
For the Year Ended June 30, 2012

FINDINGS RELATED TO INTERNAL CONTROL

Item 12-3

Criteria or specific requirement:

Effective internal control requires bank balances to be reconciled to the general ledger balances on a monthly basis. .

Condition:

The bank account of the Agency has not been properly reconciled to the related general ledger cash balance during the year ended June 30, 2012.

Questioned costs:

\$3,150

Context:

The bank reconciliations of the Agency include an "Unreconciled Difference" which forces the reconciliation to balance to the reported general ledger balance. Furthermore, the reconciled balance as of June 30, 2012 was not the balance reported on the general ledger at June 30, 2012.

Effect:

Bank balances were not properly reconciled to the general ledger which provides an opportunity for errors or defalcations to occur and not be timely discovered by management.

Cause:

Management of the Agency was not aware that the "Unreconciled Difference" was causing the bank reconciliation to tie to the reported general ledger balance when in fact it did not.

Recommendation:

Management should closely review the monthly bank reconciliations to ensure that no "Unreconciled Difference" is forcing the reconciliation to tie to the general ledger balance. I also recommend that the Executive Director review each monthly bank reconciliation for unusual items and note his review by initialing and dating the reconciliation.

NORTHWEST LAW ENFORCEMENT PLANNING AGENCY, INC.
Pineville, Louisiana

Schedule of Audit Findings
For the Year Ended June 30, 2012

Item 12-4

Criteria or specific requirement:

Effective internal control requires a proper segregation of incompatible duties.

Condition:

The Assistant Director performs substantially all significant accounting functions.

Questioned costs:

None

Context:

The Assistant Director is performing incompatible accounting duties without appropriate mitigating procedures being performed.

Effect:

Without a proper segregation of duties, errors or fraud could occur and not be detected, increasing the risk of loss or theft of assets.

Cause:

Management feels that hiring additional personnel to adequately segregate accounting duties is not economically feasible.

Recommendation:

Management should review its accounting procedures to implement procedures to mitigate the risk of lack of segregation of incompatible duties. I recommend that all bank statements be provided to the Executive Director unopened. The Executive Director should open the bank statements and review them for unusual items such as electronic debits or altered checks.

NORTHWEST LAW ENFORCEMENT PLANNING AGENCY, INC.

Pineville, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2012

FINDINGS RELATED TO INTERNAL CONTROL

None

FINDINGS RELATED TO COMPLIANCE

None

NORTHWEST LAW ENFORCEMENT PLANNING AGENCY, INC.

RESPONSE TO 2012 AUDIT FINDINGS

FINDING ITEM 12-1

The Agency will request and obtain a certified copy of the notice of its meetings published in the official journal and retain the proof of publication with the minutes of each meeting.

FINDING ITEM 12-2

The Agency has obtained the August 2012 bank Statement for its demand deposit account and forwarded said documentation to the auditor. The Agency does retain accounting instruments for a period in excess of three (3) years.

FINDING ITEM 12-3

The Agency has not had a formal process to reconcile general ledger balances on a monthly basis other than the Peachtree Accounting program currently being utilized. The unreconciled difference of \$3,150.00 has been researched and found and documentation has been submitted to the auditor.

In the future the Executive Director will review each monthly bank reconciliation to ensure that no "unreconciled difference" exist. The Executive Director will also date and initial each monthly bank statement.

FINDING ITEM 12-4

The Agency (consisting of three employees) has not had an effective internal control procedure to mitigate the risk of lack of segregation of incompatible duties. The following procedure has been implemented: The Executive Director will open bank statement and review them for unusual charges or alteration of checks and sign and initial statements. The Assistant Director will complete (write) checks per an initialed and dated invoice/bill/training reimbursement requests presented by the Executive Director. The Executive Director will obtain the necessary signatures for each check and finally the grant manager will place the signed check/invoice in the envelopes and mail same.